

SEALED BID AUCTION / INITIAL OVER-THE-COUNTER (IOTC) LOTTERY INFORMATION

Bidder/Applicant Qualifications

It is your responsibility to prove that you are eligible to participate in the program. Regulation changes adopted in February 2001 have affected bidder/applicant qualifications (11 AAC 67.005 and 11 AAC 67.008). Please read this section on eligibility thoroughly before you submit a bid or application.

Corporations, businesses, and non-Alaska residents ARE NOT eligible to bid for parcels at the Sealed Bid Auction but ARE eligible to apply in the Initial OTC Lottery (IOTC).

All bidders in the Sealed Bid Auction and applicants in the Initial OTC Lottery must be 18 years of age or older at the date of sale.

Additionally, AS 38.05.055 requires that **in order to bid in the Sealed Bid Auction you must be a current resident of the State of Alaska** and must certify that you have been a resident of Alaska for at least one year immediately preceding the date of the auction, May 12, 2010 (see Residency Requirement for Sealed Bid Auction section on next page).

If you are the successful bidder or applicant for a parcel and wish to enter into a purchase contract with the State of Alaska, you must also certify that you:

1. have not held a purchase contract or lease issued by DNR that has been administratively foreclosed or terminated for cause within the past three years (contact the Contract Administration Unit at (907) 269-8594 if you have any questions about eligibility);
2. are not currently in default for nonpayment on a purchase contract or lease issued by DNR; and
3. are not currently in default for nonpayment of municipal taxes or assessments on property currently under a purchase contract or lease issued by DNR.

Purchase contracts will not be issued by the State of Alaska unless all three qualifications listed above are met for parcels won in the Sealed Bid Auction or in the Initial OTC Lottery. If you are the successful bidder or applicant for a parcel and do not meet the qualifications for a purchase contract as listed above, you must pay the bid/appraised amount in full upon notification. Failure to submit payment in full upon notification may result in the forfeiture of your deposit and loss of purchase rights to the parcel.

Residency Requirement for Sealed Bid Auction

*****IMPORTANT NOTE*****

To be eligible to bid in the Sealed Bid Auction, you must be a current Alaska resident and have been a resident of Alaska for at least one year immediately preceding the date of the auction, May 12, 2010 (from May 12, 2009 to May 12, 2010) (AS 38.05.055). You are not allowed to claim Alaska residency during any period that you were registered to vote in another state, or claimed another state or nation as your residence for purposes such as taxes, school tuition, or benefits.

If you are a member of the Armed Forces of the United States or were during any part of the one-year residency period, you must either have been an Alaska resident prior to enlisting and maintained your Alaska residency, or have taken some affirmative action to make Alaska your residence, such as filing a DD 2058 (State of Legal Residence Certificate) or its equivalent, registering to vote, and paying local personal property taxes for at least one year immediately preceding the date of the auction. If you collect overseas pay for being stationed in Alaska, or claim some other state as your residence for purposes such as taxes, school tuition, or benefits, you are not an Alaska resident.

Failure to prove your residency in the State of Alaska for the one year immediately preceding the date of the auction when you are the successful high bidder for a parcel will result in the loss of purchase rights to the parcel, and may result in the forfeiture of some or all of your deposit.



Proof of Residency

Successful bidders in the Sealed Bid Auction are required to submit proof of their Alaska residency (AS 38.05.055). **The proof submitted must address the one year prior to the date of the auction, May 12, 2010.** Proof of residency may be any proof acceptable to the Director, including (11 AAC 67.010):

Primary proof of residency:

- voter registration and voting records;
- driver's, or other current and valid state occupational licenses;
- school records;
- rent receipts, proof of home ownership, or a home purchase contract;
- motor vehicle registration;
- tax records;
- employment, unemployment, or military records;
- court or other government agency records; or
- birth or other vital statistic records.

Secondary types of residency proof:

- hunting or fishing licenses;
- affidavits of persons acquainted with but not related to the applicant; such affidavits may be used as corroborative evidence, but unless otherwise specified, will not be accepted as the sole proof of residency; or
- other proof of residency acceptable to the Director.

Self-certifying items above (hunting and fishing licenses, personal affidavits, etc.) may only be used as corroborative evidence. At the time it is requested, successful bidders are reminded to submit as many principle (non-self-certifying) items of proof of residency as needed to document the full year of Alaska residency.

Buying Multiple Parcels

11 AAC 67.005(b) has been repealed. This regulation previously restricted buyers from purchasing more than one parcel from each DNR land offering. For administrative purposes, the Sealed Bid Auction will still be limited to one parcel per person; however, additional parcels from this offering, if not purchased at auction, may be purchased during the Initial OTC Lottery.

You may submit sealed bids on multiple parcels (each in a separate envelope). However, if you do, and you have a high bid for more than one parcel, you may not end up with your first choice parcel. Parcel opening order is determined by the total number of bids received per parcel (See "Sealed Bid Auction Procedures"), which cannot be determined until after the application period has ended. You will be awarded the first parcel for which you are high bidder. See next page for an example.

For example: *Jane Doe bids on two parcels, Parcel A and Parcel B. Her favorite is Parcel A, but Parcel B received more bids and is opened first. If she is the highest eligible bidder for Parcel B, she will win that and will be **ineligible** to win Parcel A, even if she is the high bidder for that parcel also.*

Multiple Applicants

Two or more individuals may jointly submit a single bid in the Sealed Bid Auction or application for the Initial OTC Lottery. To do so, all bidders/applicants must be eligible to bid and/or apply. Successful bidders'/applicants' names will carry forward to the purchase contract, or patent if the purchase price is paid in full. Names may not be added or deleted after the form has been submitted.

Additionally, successful joint bidders will be ineligible to individually win an additional parcel in the Sealed Bid Auction. For example:

*If a parcel is won in the Sealed Bid Auction jointly by John and Jane Doe, both John Doe and Jane Doe are **ineligible** to win any additional parcels, either as joint applicants or as individuals, for the remainder of the Sealed Bid Auction.*

Misrepresentation – Price Fixing

You may not attempt to influence bidding by others, conspire with other purchasers to reduce the price of a parcel, or otherwise act to defeat an open, fair-market bidding process. If you provide false information on forms or other required documents, you may be prosecuted to the full extent of the law. In addition to any other penalties prescribed by law, you will forfeit monies paid and may lose all right, title, and interest in the land if a purchase contract has been issued.

Anyone who misrepresents him or herself as owner of any of these parcels of land or who wrongfully represents that he or she has any legal rights to these parcels may be engaged in a fraudulent practice and may be prosecuted to the full extent of the law. If you are approached by someone or become aware of someone who claims any ownership or other legal rights in these parcels, please contact the Department of Natural Resources Public Information Center, at dnr.pic@alaska.gov or (907) 269-8400, and provide any information that you may have.

Right to Adjourn/Postpone/Cancel

DNR reserves the right to postpone or cancel a land offering, in whole or in part, if necessary to protect the interest of the State of Alaska at any time prior to or during the offering, even after the apparent high bidder has been notified, prior to DNR signing a final conveyance document, including all Over-The-Counter offerings. In the event that DNR cancels a land offering, deposits will be returned.

Brochure Amendments

This brochure is intended for informational purposes only and does not constitute an offer to sell. At times, modifications in the terms of a land offering become necessary after the publication of the brochure. Changes are announced and published as soon as possible in supplemental information sheets called Errata. You may obtain a copy of new or existing Errata from the DNR Public Information Centers or online at:

www.dnr.alaska.gov/mlw/landsale/

It is your responsibility to keep informed of any changes or corrections prior to submitting a bid or application. DNR reserves the right to make changes up to the time a contract or patent is issued. DNR reserves the right to waive technical defects or errors in this publication.

Filing Policy for State Employees

State employees, employees of state-funded agencies (such as the University of Alaska), or employees of a contractor employed by the state or a state-funded agency, who gained knowledge of a land offering area at state expense or were in a position to obtain inside information about the offering process, may not file a sealed bid during the last 15 days of the bidding period and may not acquire land within the first 30 days that it is offered Over-The-Counter (11 AAC 67.005(c)).

This requirement disqualifies those employees from applying for a parcel in the Initial OTC Lottery. Parcels may only be purchased 30 days after the parcels are placed in the general Over-The-Counter inventory, following the Initial OTC Lottery.

If you have questions about employee eligibility, contact one of the regional Public Information Centers.

Withdrawing Bids and Applications Prohibited

Once you have submitted a bid or application, it cannot be withdrawn. If you feel your bid or application was submitted with an error, you must submit a new bid or application to be eligible for the parcel. If you submit multiple bids or applications on the same parcel, the MOST RECENT VALID bid or application will prevail even if you have submitted a higher or duplicate bid or application at an earlier time.

If the previous bid or application had multiple applicants, and a subsequent bid or application is submitted for just one of the applicants, the previous bid or application will be cancelled. This can have implications for the joint applicants. For example:

If a bid is submitted jointly by John and Jane Doe, and subsequently John Doe individually submits a new bid, the previous joint bid is cancelled. John Doe now has an active bid submitted, but Jane Doe does not.

Returned Deposits

Unsuccessful bidders and applicants may pick up their deposits until 5:00 p.m. on the day of the Sealed Bid Auction (May 12, 2010) or Initial OTC Lottery (July 14, 2010), upon proper presentation of identification (Alaska driver's license or other similar picture identification). The deposits may be picked up at the Anchorage DNR Public Information Center, 550 West 7th Avenue, Suite 1260, Anchorage, Alaska. Deposits not picked up by 5:00 p.m. on the day of the auction or lottery will be returned by mail on the next day if a self-addressed, stamped envelope (SASE) was included with the bid. Deposits made by check will be destroyed if not picked up or accompanied by an SASE. NO interest will be paid on the deposit while it is in the possession of the state.

Appeals

An aggrieved bidder may appeal to the Commissioner within five days after the sale for a review of the Director's determination (AS 35.05.055). Appeals may be sent by mail to Commissioner, Department of Natural Resources, 550 West 7th Avenue, Suite 1400, Anchorage, AK 99501-3561, by fax to (907) 269-8918, or by electronic mail to dnr.appeals@alaska.gov.